

STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners:

G. Nanette Thompson, Chair
Bernie Smith
Patricia DeMarco
Will Abbott
James S. Strandberg

In the Matter of the Consideration of the Reform)
Of Intrastate Interexchange Telecommunications)
Market Structure and Regulations in Alaska)
_____)

R-98-1

REPLY COMMENTS OF GCI AND
NOTICE OF INTENT TO TESTIFY

Introduction:

In accordance with Orders R-98-1(4) and (5), initial comments were filed in this matter by Alaska Fiber Star L.L.C (FiberStar); Alaska Network Systems, Inc. (ANS); Alascom, Inc. (AT&T); Alaska Telephone Association (ATA); Cordova Long Distance (CLD); Copper Valley Long Distance (CVLD); Nushagak Long Distance, Inc. (Nushagak); GTE Alaska (GTE); Rural Carriers Group (RCG); and Unicom, Inc. (Unicom).¹ GCI Communication Corp. d/b/a General Communication, Inc. and d/b/a GCI (GCI) submits these reply comments. These reply comments are, with two exceptions, organized and presented in the same sequence as the various sections of the proposed regulations. The two exceptions concern AT&T's proposal to be classified as nondominant and its proposal

¹ Conspicuous by their absence are any comments from Alaska Communications Systems or its interexchange affiliate, ATU Long Distance.

1 to implement a subsidy for the provision of interexchange service in "Bush" Alaska. These
2 two matters are addressed first.

3
4 Classification of AT&T as "Dominant"

5 AT&T devoted a substantial portion of its initial comments to the argument that it
6 no longer has market power and should no longer be designated as "dominant." GCI
7 agrees with AT&T in part, but only in part. GCI also believes that it is more productive to
8 focus on each of the specific requirements in the regulations that now depend on the
9 "dominant" classification rather than on the simple, dominant vs. nondominant distinction.

10 AT&T's situation is now somewhat paradoxical. When judged against various
11 measures of retail market share and market power, GCI agrees that long distance
12 competition in Alaska has now developed to the point that AT&T has little market power.
13 At the same time, AT&T is the only provider with facilities in many areas of the state, and
14 it retains a legally-protected monopoly on facilities in those areas. AT&T retains absolute
15 power on the quality of service in those areas, and AT&T retains market power in the
16 provision of wholesale services to those areas.

17
18 Because of AT&T's continuing dominant position in rural Alaska, AT&T's status
19 as "dominant" should not be changed. That, however, does not mean that there should be
20 absolutely no change in the regulation of AT&T.

21
22 The status of "dominant" has significance in several different instances in the
23 regulations:

- 24 1. The dominant carrier must submit cost support in support of rate increases (rate
25 decreases can be implemented on the same basis as for nondominant carriers);

2. The dominant carrier is subject to full regulation of wholesale rates;

3. The dominant carrier is subject to "service and safety" standards, while nondominant carriers are not;

4. The dominant carrier is subject to regulation of billing and contract forms, the uniform system of accounts, and jurisdictional separations;

5. The dominant carrier is designated the "carrier of last resort."

AT&T certainly cannot be relieved of carrier of last resort responsibilities at this time. It is the only carrier with facilities in many areas; it is the only carrier even allowed to own facilities in those areas.² Similarly, AT&T cannot be relieved of the obligation to provide wholesale service to those locations at reasonable, regulated rates.

On the other hand, the regulations regarding rate increases, service and safety standards, and billing forms relate primarily to service in retail markets. GCI believes that those requirements on AT&T could be lifted or modified without any detriment to the public interest.

Rural Interexchange Subsidy

AT&T argues that it is now losing \$7.3 million annually serving Bush Alaska and that a "targeted, competitively neutral" Bush subsidy is now needed. AT&T further states that losses on the Bush routes exceeds the profits in other areas so that, on a statewide basis, it now has a 1.15 cent per minute deficit in the provision of interexchange service.

To resolve this problem, AT&T proposes a subsidy funded through a per minute surcharge

² The existing rule on carrier of last resort does treat nondominant carriers and dominant carriers as differently as implied by AT&T's comments. Nondominant carriers must give notice prior to discontinuing service in any area, and if the Commission finds that continuation of service is required for the public convenience and necessity then the carrier cannot exit the market. This is a far cry from being able to exit at will.

1 on all interexchange minutes of use.

2
3 GCI agrees with AT&T that "margins" in the long distance business in Alaska are
4 extremely low or nonexistent. GCI further agrees that the lack of margins is an impediment
5 to investment, particularly in rural areas, and that there needs to be a solution to this
6 problem. Without an incentive to invest, the quality of service to rural Alaska will
7 deteriorate.

8 GCI is not prepared to endorse AT&T's proposal for a subsidy at this time. It
9 appears to GCI that a much more simple and logical solution to the problem that AT&T
10 presents is to reduce the level of intrastate access charges. Those charges for Bush Alaska
11 are now approximately 13.9 cents per minute (including both "ends" of a long distance
12 call)³. Reducing those charges by only 1.15 cents per minute would eliminate AT&T's
13 statewide deficit. Reducing those charges by less than 4 cents would restore profitability
14 even to service in Bush Alaska.

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16 Reduction of access charges is also logical. Intrastate access charges are now
17 inflated by the 20% allocation of every loop to intrastate access charges; this 20%
18 allocation of nontraffic sensitive loop costs accounts for \$28.6 million, or 76.5%, of the
19 combined AECA revenue requirement. This allocation alone accounts for 10.6 cents per
20 minute of the 13.9 cents per minute access charge rate (again, including both ends of the
21 call).⁴ Cellular carriers, which also interconnect with local exchange carriers to originate
22 and terminate calls, do not pay any share of the local loop costs. Internet Service
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25 ³ In contrast, interstate access charges are much lower, . Interstate access charges are 3.4 cents per minute for
26 the Bush end of the call, plus 1.24 cents per minute for terminating access in the lower 48, for a total of 4.64
cents per minute—about one third of the intrastate rate.

Providers, which interconnect with local exchange carriers to originate and terminate e-mail services, do not pay any share of local loop costs. But cellular carriers compete directly with interexchange services, carrying voice calls all over the Railbelt region without paying access charges. E-mail service competes indirectly with interexchange services, offering a substitute service in many situations. Elimination of the local loop allocation to intrastate toll would eliminate the need for the subsidy proposed by AT&T, it would drive long distance rates lower, and it would place interexchange carriers on an equal footing with cellular carriers and ISPs. If immediate elimination of the local loop allocation to intrastate toll is not feasible, the Commission should move in that direction by beginning to phase down the allocation or by implementing an intrastate Subscriber Line Charge (SLC) to recover a portion of the loop allocation.

To the extent that AT&T's subsidy proposal is considered, several points are important. First, AT&T determined the "cost" of providing rural service based on prior calculations by GCI's Senior Manager of Economic Analysis, Alan Mitchell. That calculation determined the efficient cost of providing service. Thus, it should be emphasized that the amount of the subsidy AT&T says is required is not based on allegedly higher costs from duplication of facilities.

GCI further believes that, if adopted, any subsidy must be competitively neutral and available to all facilities-based carriers. If the amount of subsidy is determined as above, and paid on a per minute basis, the total amount of the subsidy does not increase with the entry of new competitors.

⁴ As noted above, interstate access charges are much lower. In the interstate jurisdiction, much of the NTS allocation is recovered through a Subscriber Line Charge.

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2 Finally on this subject, GCI disagrees that the subsidy, if approved, should be
3 funded through a per minute surcharge of all interexchange minutes. Instead, it should be
4 funded in the same manner as other explicit subsidies, through a percentage levy on end
5 user revenues of all telecommunications carriers. The existing Alaska Universal Service
6 Fund has been established in this way, and any necessary funds can be collected by the
7 Alaska Universal Services Administrative Company in the same manner as it now collects
8 funds to subsidize DEM weighting and Lifeline/Linkup.

9 3 AAC 52.355, Scope of Competition

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11 As set forth in GCI's initial comments, the existing restriction on the construction
12 of duplicative facilities for use in provision of interexchange service in Bush locations has
13 had very adverse consequences for the public, causing the residents of "Bush" Alaska to
14 pay higher rates and endure poor quality service. As GCI further demonstrated, repeal of
15 the restriction would promote the public interest in several ways.

16
17 AT&T Alascom, the owner of the interexchange facilities where GCI (and others)
18 are prohibited from providing facilities-based service, stated that it "unconditionally
19 supports" repeal of the restriction presently set forth in 3 AAC 52.355. However,
20 representatives or affiliates of various local exchange carriers (LECs) opposed repeal of the
21 restriction.

22
23 ATA stated that it opposed lifting the restriction at least until other reforms
24 (unbundled elements, and carrier of last resort obligations) are also implemented. CVTC,
25 CLD, and Nushagak expressed similar concerns. None of those parties discussed the issue
26 in any detail or provided any substantive support for the existing rule.

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2 Only Unicom presented any significant discussion and argument in favor of the
3 restriction. In much of that discussion, Unicom pieces together decisions made over 10,
4 15, or 20 years ago based on application of the "natural monopoly" theory to
5 telecommunications regulations.⁵ Such thinking in that era severely constrained
6 competition in all utility markets. However, experience has repeatedly demonstrated that
7 the theory was flawed and, rather than promoting higher costs, higher rates, and poorer
8 service, competition in telecommunications consistently promoted the public interest
9 through lower rates and higher quality service. This change in thinking was embodied in
10 the Telecommunications Act of 1996, which preempts all state barriers to entry.⁶
11

12 The 50-site DAMA project has conclusively demonstrated that facilities based
13 competition can bring these same benefits in rural Alaska. As a result of the project, prices
14 are lower and quality is higher, whether provided by GCI or AT&T Alascom. Attached
15 hereto is an additional letter from a frequent critic of the quality of telecommunications
16 service in rural Alaska, praising the quality of service provided by GCI's DAMA system.
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18 Unicom states in its comments that the project has created a "fragmented lesser
19 quality network." Unicom presents absolutely no support for that bald assertion, which is
20 plainly contrary to fact.⁷
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22 Beyond that false assertion, Unicom's arguments rest entirely on the effect that
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24 ⁵ The first two words in Unicom's pleading, after the executive summary, are "In 1975...." Unicom then cites
25 a 1975 FCC decision, followed by a 1980 decision, a 1986 decision, and a 1982 decision, all from the FCC.

26 ⁶ Unicom also, somehow, manages to argue that New England Public Communications Council, 7 CR 970,
972(1997) supports its argument that the existing restriction is "competitively neutral." Unicom Comments,
p. 13, fn. 33. In fact, in that case the FCC held that a Connecticut decision prohibiting all entities other than
the incumbent from providing pay telephone was preempted by the Telecommunications Act. That case fully
supports GCI's position that the existing facilities restriction has been preempted by the Act.

⁷ Unicom may be confused, as was AT&T in its initial comments, by the recurring statement that GCI's
DAMA system creates double hops for calls to AT&T's customers. This is incorrect, in theory and fact, as
will be explained fully at hearing.

1 the project has had on carriers, including most particularly whether or not it has been
2 profitable. Unicom's facts are, in large part, wrong. But more important, Unicom's
3 argument addresses the wrong issue. The appropriate question is not whether the project
4 has been profitable, or whether it has been good for GCI or AT&T. The appropriate
5 question is whether it has been in the public interest. Certainly, competition in these Bush
6 locations has been better for the public than for competitors. That demonstrates the
7 success of the project, not its failure.
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9 Unicom also recommended that the Commission establish a successor policy prior
10 to lifting the restriction, and Unicom promoted compulsory joint ownership as the
11 appropriate successor policy. GCI disagrees.
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13 As discussed by AT&T in its initial comments, GCI believes that forced joint
14 ownership is fraught with numerous legal and practical problems which preclude its
15 implementation. The situation is now much more complicated than when the FCC
16 established the policy that lead to joint ownership by UUI and Alascom; that occurred
17 when the facilities were first installed, and the only parties with interests were the Alascom
18 and the local exchange carrier. Ownership has now been established solely in AT&T in
19 most locations, and joint ownership would involve more than just two parties, AT&T and
20 the LEC.
21

22 Joint ownership, if actually advantageous, may result from a lifting of the present
23 restriction without being forced by regulators. AT&T has little reason to consider joint
24 ownership proposals so long as it has a legally enforced monopoly on facilities in these
25 areas. However, if the restriction is lifted so that competing carriers have the option of
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1 building their own facilities, AT&T has more reason to consider and negotiate joint
2 ownership. If such ownership is rational, the carriers may adopt it themselves without
3 compulsion.
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5 In summary, the existing earth station restriction is an outdated anachronism. It is
6 detrimental to the public interest, and it is illegal. Lifting the restriction will certainly
7 promote the public interest and it may lead to voluntary joint ownership arrangements
8 among carriers.

9 3 AAC 52.370, Retail Rates

10 The ATA proposed an exemption for small interexchange carriers from the
11 requirement that rates be "just and reasonable." This astounding proposal should be
12 rejected. GCI cannot imagine any reason that the Commission would grant any class of
13 carriers a broad license to charge rates which are unjust and unreasonable.
14

15 AT&T stated that the Commission should not prohibit "bundles" which include a
16 lower interexchange rate as part of the bundle. GCI generally agrees with those comments,
17 which are consistent with GCI's initial comments. GCI further agrees with AT&T's
18 argument that monopoly carriers should not be allowed to leverage their monopoly service
19 by including it in a discounted bundle with a competitive service.
20

21 GCI disagrees with the proposal of AT&T to establish a one-day notice period for
22 retail rates. The one-day notice procedure works at the FCC because the FCC has virtually
23 abandoned supervision of interstate rates. GCI does not believe that it is likely that this
24 Commission is going to adopt such a "hands off" approach, and GCI instead believes that
25 supervision to enforce rules such as geographic rate averaging, promotions, etc., will
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1 continue. If that is the case, a one-day notice period will reward outlaws that are willing to
2 break the rules. Notwithstanding the best efforts of Commission and Staff, there have
3 already been a few instances where certain tariffs have slipped through, and another carrier
4 was later denied a comparable tariff. The ability of Staff and Commission to review and
5 detect violations on one day's notice would be severely limited; it would then be difficult to
6 withdraw the tariff which is already in the market. Thus, the carrier which overstepped the
7 bounds would be rewarded, while the Commission and Staff would be on the alert for
8 comparable filings by other carriers. Either those carriers would be denied the opportunity
9 to file a similar tariff, or the rule at issue would have to be abandoned. In short, there is
10 simply not enough time for the Commission to review tariff and enforce rules with one
11 day's notice.
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14 3 AAC 52.375, Wholesale Rates

15 The comments of the other parties, including the local exchange carriers with
16 interexchange affiliates (hereinafter referred to as "LEC/IXCs"), largely confirm GCI's
17 initial comments that unbundled interexchange network elements would not address the
18 needs of the interexchange resellers. Although each of the LEC/IXCs that filed comments
19 supported unbundled network elements, each recognized at least implicitly that unbundled
20 network elements would not actually satisfy the needs of resellers. GCI reiterates its earlier
21 comments that the process of establishing a tariff of unbundled network elements would be
22 lengthy, complex, cumbersome and ultimately of little use.
23

24 The RCG, Unicom, and the other LEC/IXCs have a problem. They decided to
25 enter a market in which there were extremely small margins, even on a statewide basis. To
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1 complicate their situation, these carriers concentrated on the smallest segments of that
2 market. and the segments of the market that are the most expensive and difficult to serve.
3
4 Having done so, they discovered that it was very difficult to make a profit in that market.
5 They have now come to the Commission requesting inappropriate and unjustified price
6 discounts to solve their problem. Their proposed solution is that GCI and AT&T be
7 required to provide them, for resale in rural locations, confiscatory wholesale rates
8 determined by applying a discount off statewide geographic retail rates.

9
10 There are no policy justifications for the relief requested by the LEC/IXCs.
11 Although they assert that the relief is necessary to bring competition to rural areas,
12 competition already exists in the interexchange market, and competition has already
13 achieved the public policy benefits which were the goals when competition was introduced.
14 Prices have already been reduced to levels at or barely above incremental levels, as
15 characteristic of a competitive market, and the rule requiring geographically averaged retail
16 rates ensures that these low rates are available to all rural customers. Quality of service has
17 improved in all areas where facilities based competition is allowed.⁸ Notwithstanding the
18 LEC/IXC's rhetoric that the market is a duopoly, the interexchange market in Alaska has
19 produced the public policy benefits of a fully competitive market. Unlike a typical duopoly,
20 where the new entrant sets prices just below the monopoly level of the market leader, the
21 Alaska interexchange market has exhibited strong price competition. There are very few, if
22 any, public benefits that can be brought by the LEC/IXC resellers. The market is not in any
23 way comparable to the monopolized local exchange market, with prices still based on fully
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26 ⁸ As discussed, the existing facilities restriction has inhibited quality improvements. The LEC/IXCs, as pure
resellers of service provided over AT&T or GCI facilities, cannot bring service quality improvements.

1 distributed costs, where the benefits of competition have yet to be achieved.⁹

2
3 Thus, the relief being sought by the LEC/IXCs is for their own private gain, not
4 for any public policy gain. These entities have every option available to them that was
5 available to GCI when GCI entered the market, and in many areas they have more options.
6 But these entities have no "right" to be profitable IXCs. They entered the market at their
7 own risk. If they can succeed, fine. But there is no reason that the Commission should re-
8 write the rules to ensure their success. This is particularly true when the relief requested
9 actually goes contrary to sound public policy.

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11 The existing regulations specifically provide that "the wholesale rates for services
12 for resale are not required to be averaged geographically." 3 AAC 52.375(e). That is true
13 even though retail rates do have to be averaged geographically. 3 AAC 52.370(a). None
14 of the commenters have directly challenged the policy decision that wholesale rates are not
15 required to be averaged geographically. However, if wholesale rates were determined by
16 applying a discount off geographically averaged retail rates, the result would be
17 geographically averaged wholesale rates. If GCI and AT&T were required to offer
18 wholesale rates determined in that way, then the wholesale rates would be required to be
19 averaged geographically, in violation of 3 AAC 52.375.

20
21 Determining wholesale rates based on a discount off retail would actually require
22 GCI and AT&T to provide the LEC/IXCs with a discount off the LEC's access charges,
23 even though GCI and AT&T would continue to pay the full access charge amount. In fact,

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25 ⁹ The RCG is correct that "resale is an effective tool to jump start competition...." RCG Comments, p. 12; see
26 also p. 13. But long distance competition in Alaska is already running well, and does not need a jump start.
By contrast, the local exchange market retains high margins and is in need of the jump start provided by resale.

1 it is probable that the wholesale rate received from the LEC/IXC would not even cover the
2 access charge paid back to the LEC. If the lowest per minute rate is now 14 cents per
3 minute, and if the discount was only 10 percent, the wholesale rate would be 12.6 cents per
4 minute. Access charges administered through AECA are 13.9 cents per minute. GCI (or
5 AT&T) would receive 12.6 cents from the LEC/IXC, but pay out over 13.9 cents to the
6 LECs (through the AECA). GCI or AT&T would not even cover the cost of access, much
7 less any of its own cost of providing service. GCI (and AT&T) would lose money on each
8 and every call, while the LECs continued to collect all of their access charges.
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10 The RCG, alone among the commenters, recognizes the problem just discussed.
11 For that reason, the RCG proposes that the discount be applied to the retail rate, net of
12 access charges. That proposal would be difficult, or impossible, to implement. Even if it
13 could be implemented, the proposal leaves many unanswered questions and would be
14 administratively unworkable.
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16 The proposal would be difficult or impossible to implement because intrastate
17 access charges now vary by location, with rates in Anchorage different from the rest of the
18 State. Once competition begins in Fairbanks and Juneau (encompassing two different study
19 areas), access charge rates to those locations will be different from Anchorage and different
20 from the rest of the State. Accordingly, determination of the retail rate, net of access,
21 would depend on the end points of the call. Although an average could be determined, the
22 average would not be representative of calls to and from rural locations; the "mix" of
23 intrastate calls varies by location. For example, the percentage of intrastate long distance
24 from a very rural village, such as the villages around Kotzebue, that are to Anchorage
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1 differs from the percentage of the intrastate calls from a town like Cordova or Valdez that
2 are to Anchorage. Thus, the average intrastate access charge associated with calls from a
3 Kotzebue village are different from the average intrastate access charge associated with
4 calls from Cordova or Valdez, and thus the "retail rate net of access" would be different.
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6 Even if this problem were resolved, the RCG's proposal has other problems. The
7 provision of the Telecommunications Act of 1996 which establishes requirements for
8 "wholesale resale" in the local exchange market includes a specific provision that allows the
9 Commission to preclude service offered to one class of customer from being purchased at
10 discount and resold to another class of customers. §251(c)(4)(B) of the Act. In other
11 words, a residential line cannot be purchased at discount and resold to a business customer.
12 Given that the LEC/IXC's entire idea for "wholesale resale" derives from these provisions
13 of the Telecommunications Act, would a similar limitation apply to interexchange
14 "wholesale resale". GCI does not believe that the LEC/IXC's contemplate such a
15 limitation.
16

17 Perhaps even more important, local "wholesale resale" under the
18 Telecommunications Act is on customer by customer basis. In other words, for example,
19 ATU has a tariff which allows a customer to purchase a large bundle of up to 24 custom
20 calling features for \$15.25. (ATU Tariff Sheet 249, 249.01). "Wholesale resale" does not
21 allow GCI to purchase that bundle at a discount and then sell the selection of features to
22 multiple different customers. Instead, the services that GCI buys for Customer A are
23 discounted from the same retail price ATU would charge Customer A, then the services for
24 Customer B are discounted from the retail price ATU would charge Customer B, and so
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forth. If "wholesale resale" were adopted for the interexchange market, it must operate the same. For example, GCI has a residential plan which includes a flat monthly fee and a price of 14 cents per minute. GCI is able to provide the rate of 14 cents per minute only because it also charges the flat monthly fee to each customer. Resellers cannot be allowed to pay the flat fee, minus the discount, one single time and then purchase minutes, for resale to multiple customers, at 14 cents a minute minus the discount. Instead, the reseller must be required to pay the flat fee (minus the discount) for each individual customer to whom the reseller resells. GCI does not believe that the LEC/IXC's have contemplated this when making their proposals.

As the Commission reviews this issue, the Commission should not lose sight of the incredibly low wholesale rates which are already available to other interexchange carriers. The existing wholesale tariff of AT&T allows carriers to switch and transport from Anchorage to Fairbanks, Homer, Juneau, Kenai, North Pole, Palmer, Seward, Soldotna, Wasilla or Willow for only 1.42 cents per minute on peak, .3 cents per minute off peak. For traffic between Anchorage and other locations not listed above but where construction of duplicative facilities is allowed, the rate is only 2.95 cents per minute on peak and .6 cents per minute off peak. ONLY in the rural Bush locations is the wholesale rate high, at 14.83 cents per minute on peak.¹⁰ As stated at the beginning, the entire issue arises because the LEC/IXCs filing comments in this proceeding have chosen to operate and sell services almost exclusively in these high cost locations. That marketing plan is not one which the Commission should go to extraordinary lengths to salvage.

¹⁰ GCI agrees with Unicom that this rate does need to be updated to account for the fact that DAMA calls are now "single hop" without going through Anchorage. This should result in a lower rate.

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2 Instead, GCI encourages the Commission to recognize that—outside of areas
3 where AT&T has the only facilities—the wholesale market is competitive and needs little if
4 any regulation. As discussed by GCI in initial comments, and as also extensively addressed
5 by AT&T, there are now extensive facilities in many areas, and wherever more than one
6 company has facilities, each is anxious to make its services available for resale.

7 In fact, notwithstanding the fact that they are providing service in the highest
8 costs locations, GCI and AT&T have each made arrangements with LEC/IXCs which
9 enable them to provide interexchange services. In the Kotzebue region, where GCI's
10 DAMA demonstration project built facilities, the LEC/IXC successfully resells a package of
11 tariffed intrastate services and interstate service. AT&T has similar arrangements
12 elsewhere. All were voluntarily negotiated under current rules. At most, the Commission
13 can add dispute resolution procedures, as proposed, and resolve disputes in this area as
14 they arise.
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16 The comments of Alaska FiberStar, ANS, and TelAlaska LD further support the
17 argument that, outside of areas where AT&T has the only facilities, wholesale rates and
18 certainly unbundled elements are not needed. Each of those three carriers either argue that
19 wholesale rates do not need to be regulated in general, or they argue that they are
20 somehow different and their own service should not be subject to wholesale rate
21 requirements or unbundling. The arguments lead to finer and finer distinctions about who
22 should be required to provide wholesale services, each based on individual characteristics
23 of a carrier that could quickly change. If the Commission is going to require wholesale
24 and/or unbundled rates, the requirement should apply to all carriers with facilities.
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Conclusion and
Notice of Intent to Testify

GCI requests the Commission to consider the foregoing comments as it reviews the proposed regulations. GCI looks forward to further participation in this proceeding, and GCI intends to appear and provide testimony in the public hearing scheduled herein.

Respectfully submitted this 25th day of February 2000.

GENERAL COMMUNICATION, INC.

By: James R. Jackson
Its: Regulatory Attorney

VERIFICATION

I, James R. Jackson, Regulatory Attorney for General Communication, Inc., say on oath and affirm that I have read the **Reply Comments Of GCI and Notice Of Intent To Testify** and believe all statements made in those documents are true and correct to the best of my knowledge.

James R. Jackson

SUBSCRIBED AND SWORN to before me this 25th day of February 2000.

NOTARY PUBLIC FOR ALASKA
My Commission expires: _____